

David Murray's Financial System Inquiry

The Way Back

A growing number of Australians are becoming aware that there is something wrong with the way we are functioning as a Nation. We have been borrowing Money to exist as well as paying ever increasing taxes in various forms for years. **WHY IS THIS?**

We have just witnessed seven years of Labour government which has been out of control to the extent that when they took over the reins of government the Nine Million **Breadwinners** had left them with a credit equal to \$110 each to a situation where those same **Breadwinners** now have a “debt of over \$35,000” each, and they claim to have done a great job in government! How can a group of politicians be so bloody **STUPID?**

This publication will try to simplify the situation so that people in the street can understand what has happened to us as a Nation. If you are 40 years old you were not born when the disaster occurred and you are excused for not understanding, if you are 50 years old you were only a 10 year old at school more interested in kiking footie and the like so you also are excused. If you are 61 years old what happened did so the first year that you were old enough to vote. You fell for the election slogan “**ITS TIME**” and after Menzies retired the Liberal party was in disarray and hardly knew what it was doing. Australian’s were “FED UP” with what was going on and opted for change.

That was our first big mistake. We did not recognise that the “**Legal Profession**” had taken over the old “**Labour Party**” and that even to this day 2014 the last real Labour Leader this country had was **Ben Chifley** who was Prime Minister until 19th. December 1949. Menzies was our next Prime Minister to remain in power until 26th. January 1966. In that 16 year period a Constitutional Lawyer **Edward Gough Whitlam, QC.** had hatched a traitorous plot to take over the Labour Party while total confusion and communist sympathizers fought for control of the party. Being a relatively young Constitution Lawyer with big ideas Whitlam prepared his plan to take control of Australia and convert us into a “**Socialist Republic**”.... To do this without a Referendum, without consulting the Australian People. Whitlam Registered THE COMMONWEALTH OF AUSTRALIA as a Corporation ABN 122 104 616 registered with the **United States of America Securities and Exchange Commission No. 000 0805157 in Washington DC.....** This “Bogus and Bodgie Corporation” worked for a while because it permitted Whitlam to borrow Money without reference to the People of Australia. It was finally “Money Matters” that brought Whitlam down..

Frazer, Prime Minister for the next 7 years did nothing to return Australia to its 1901 Constitution. If one wanted to be unkind one could pose the question ‘Why should he’? As an accident of Birth he was a Jew and where were we going to borrow the money to run the country?

Hawke (an honorary Citizen of Israel and section 44 of our 1901 Constitution Disqualifies him from being an MP let alone Prime Minister) was our next Prime Minister and of course he made no changes. He claimed when in power he could change the Constitution through the High Court and did not need a ‘**Referendum**’ to do so!

Keating carried on the charade and led us to the Recession we had to have and over a Million unemployed, the highest interest rates ever in this country 17.2% for Housing and 25.4% for Business and Farm development Loans.

Only about 2% of Australians have read or even tried to understand our 1901 Constitution. A Constitution that is perhaps the finest in existence in the World and it is so important that we all learn about it from School age.....Copy of The 1901 Constitution is included in this presentation. Please take time to read it.....

A brief history of finance in Australia

By subterfuge and slight of hand that would do credit to the finest magicians, successive Australian governments since 1973 regardless of political colour have changed the intent of the constitution for the worse.

Most people are not aware that the dream of King O'Malley the **Commonwealth Bank** (our Central Peoples Bank) financed the first world war **without any Australian citizen paying a single penny in Tax**. The real cost to Australia was 60,000 of our finest young men and women in that war and not forgetting those who gave their lives in subsequent wars. If for no other reason than their Memory we should start to correct the wrongs in the first instance with regard to finance.

You will no doubt be reminded that income tax was introduced in September 1915 but those who loudly proclaim this fact, will forget to tell you that it was introduced to foot the bill for massive interest charges and repayments, incurred when Australia was bullied into becoming involved the war at sea by the British government and we purchased the first HMAS Sydney, HMAS Australia and two submarines one of which was recently discovered sunk with it's Irish Captain and crew in the Dardanelle's. They were largely crewed by British sailors cos we had no real sea going Naval experience. The UK demanded payment in **Pounds Sterling** and Australia had no Sterling reserves so they were funded by the privately owned Rothschild controlled Bank of England to make great profits for the banks owners. If they were sunk we were still liable – makes one sick to think of those who profit immensely out of wars and killing.

There were four Australian governments who harmed the intent of the constitution they were :-

The Bruce / Page government in 1924 when they succumbed to pressure from the **Banks** who could see potential danger in the power of the Commonwealth Bank and Bruce who's education had been

finished in England may well have thought that a privately owned central bank was the way to go, just like the old country, gave in to the pressure of the private banks and insurance companies. He changed the management of the bank from a Governor with a good management team to management by a board of governors who were all bankers or insurance officials. We suffer from this action to this day, would you believe that in recent times we had two governors who were fellow directors in one of the richest local and International companies.

The second disaster came in 1937 when after the results of the **Napier Royal Commission** into banking in Australia were published and the government of Lyons and subsequent governments of Page, Menzies, and Fadden all left the findings where they were - swept under the carpet, and went ahead and borrowed from the banks and Private individuals, money they had the power to create themselves, in order to fight the second world war, **WE WERE STILL TRYING TO PAY IT OFF IN 1955.**

The third disaster came in 1945 when John Curtin introduced the Commonwealth Banking Bill, which was a Bill that had the power to make Australia the finest country in the World, but finally his successor Chiefly was pressured into signing the Bretton Woods agreement in 1946/7 which **severely restricted the sovereign right of Australia** in money matters, even domestically.

The fourth disaster came with Whitlam's election in 1973 and his grand plot to make Australia into a "**Socialist Republic**" and his moves to convert us into a **CORPORATION....**

Finally the Hawke / Keating government privateised the Commonwealth Bank without need, and opened up banking to all manner of banks and financial institutions. Giving the Reserve Bank complete independence was almost as successful as making a private institution out of it, and now it is governed by a US Federal Reserve Bank trained Governor.

The Commonwealth Bank was established and running almost 18 months before the greatest scam in world Banking History was created.

We refer to the Privately owned **Federal Reserve Bank Of America** , the root cause of most of the worlds banking and finance problems today and a power that influences banking in Australia as sure as if they were local.

The Banks Are BROKE

We make this statement and support it with the Banks own figures. Understanding that a Bank is a business subject to the same rules of operation as any other business operated in Australia is a first step to understanding the power that the Banks have in this country. This power must be curtailed and the **Reserve Bank** must take control of the situation under direction from the Government. The Banks must comply with the rules that govern all other businesses large and small.

The table below shows that the banks are technically BROKE. No other business in Australia would be allowed to continue in operation when their liabilities exceed their worth by a ratio of 28 to 1.

The Napier Royal Commission

Copy of this Royal Commission report is available for viewing at all State Libraries.

Reference to section 503 and 504 of the Napier Royal Commission into Finance and Banking in Australia will confirm the power vested in what is now our **Reserve Bank of Australia**. The Reserve Bank in recent times demonstrated its strength in making 4.6 Billion Australian Dollars available to keep the Private Banks afloat in this time of International monetary stress. No details of the deal were released. A further A\$600 Million has been given to them since.

We reprint section 503 & 504 of the **Napier Royal Commission** here to make the point clear.

503. *The central bank in the Australian system is the Commonwealth Bank of Australia. This bank is a public institution*

engaged in the discharge in of a public trust. As the central bank, its special function is to regulate the volume of credit in the national interest and its distinctive attribute is its control of the note issue. Within the limits prescribed by law, it has the power to print and issue notes as legal tender money, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating the money with which to discharge it.

504. Because of this power, the Commonwealth Bank is able to increase the cash of the trading banks in the ways we have pointed out above. Because of this power, too, the Commonwealth Bank can increase the cash reserves of the trading banks; for example, it can buy securities or other property, it can lend to the governments or to others in a verity of ways, and it can even make money available to governments or to others free of any charge.

In a statement interpreting this section the Secretary of the Commission, Mr. W. T. Harris said:-

“The statement in the paragraph mentioned (504) is to the effect that as a matter of power, The Commonwealth Bank can make monies available to Governments or to others on such terms as it chooses, even by way of a loan without interest, or even without requiring either interest or repayment of principal”

The Private Banks

Reference to the table below will shock most people when they assess the numbers which are taken directly from the operating reports that the banks themselves have submitted to The ASX. The joint liabilities of the banks exceed their total assets by \$1,251,605,000,000 or put another way A\$59,600 for every man, woman and new born child in this country. Or another way A\$238,400 for every four people or family unit in Australia.

Bank	Total assets(Mil)	Total Liabilities	Turnover	Profit	%
ADB	613	48,324	666.3	283	0.4247
ANZ	1,679	241,420	5254	3987	0.7589
BOQ	638	9,324	183	93.3	0.5098
CBA	1,305	281,109	5410	3843	0.7104
MBL	6,119	40,938	247	685	2.7733
NAB	19,570	381,542	7191	4741	0.6593
ROK	36	462	7.3	8	1.0959
SGB	3,813	64,913	1612	1135	0.7041
WBC	12,085	228,761	4755	3492	0.7344
WBB	92	762	24.7	13.95	0.5648
Total	45,950	1,297,555	25,350.3	18,281.25	0.7211

No other group of companies would be allowed to operate in the same way as the banks except the Insurance companies who's liabilities exceed their assets by even higher numbers. Bank Bail-in Legislation is Not Needed!

When brought to the attention of the ASIC they passed the buck and suggested that the privately owned ASX controls how companies are run when listed on The Australian Stock Exchange. The ASX when approached Hummed and Hawed for almost six weeks before replying almost without comment – what is going on? Have we touched on a very raw nerve? Copies of the replies from the ASIC and the ASX are available.....

The real answer for the government is not going to be comfortable but just as the parliament plans to say sorry to our indigenous people we could say sorry to the **Sovereign People of Australia** for having fouled up the means of financing our country and make amends by buying back the peoples bank and using it as its founders had planned. It could be the key to controlling inflation and also to the problem of ensuring that the great Australian dream of owning their own home can

be a reality. More of that in our proposal for solving the housing problem.

Remembering that this is a **Sovereign Nation** I should bring to you notice that our closeness to UK Law The following speech by the late Lord Beswick, is reprinted in part from HANSARD, 27 November 1985, Vol. 468, Columns 935-939 where it appears under the title "**Money Supply and the Private Banking System**".

HANSARD The Late Lord Beswick begins:

Over the years very interesting people have recognised that there was a problem and that new ideas and new machinery were needed. The late Thomas A. Edison, whose inquiring mind cannot be belittled, once said:

"It is absurd to say that our country can issue 30 million dollars in bonds and not 30 million dollars in currency. Both are promises to pay. But one promise fattens the usurer and the other helps the people".

President Abraham Lincoln apparently thought the same. According to a United State's Congressional sub-committee report that I was reading recently, he insisted upon the government issuing 346 million dollars in money -- the so-called greenbacks -- instead of issuing interest-bearing bonds and paying interest upon them.

The late Sir Arthur Bryant, Companion of Honour upon whose clarity of language I cannot improve said.

"The exercise of the right inherent in every sovereign state of creating and issuing a sufficiency of money to make financially possible what is physically possible and morally desirable, would enable as much real wealth to be brought into existence as, with its immense inventive and scientific potential, it is capable of making".

To control this Sir Arthur said:

"What seems required is a public body removed and divorced from political pressure, staffed by Treasury officials, invested by Parliament with the duty of creating, free of interest, as much money for necessary government purposes as the country at any given time should, in their considered judgment, need to ensure the maximum possible employment of its productive resources".

This is not Rocket Science, it is just common sense. Further if you want a real outcome from your investigation the last person to ask is a Banker. The chances of getting an unbiased recommendation from him/her are NIL....

There is no reason to introduce Bank Bail-in Legislation under any circumstances, if the Banks are broke let them sink! It is their responsibility and the responsibility of their Management.

John K. Bain.

For

The Committee to Re-Plan Australia

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